THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Expert Committee chaired by Professor Abhijit Sen, Member, Planning Commission, constituted by the Government in March, 2007 to study the impact of futures trading on the prices of agricultural commodities has stated that in view of conflicting results from daily, as against weekly and monthly data, no strong conclusion can be drawn on whether introduction of futures trade is associated with decrease or increase in spot price volatility. The Expert Committee also analyzed annual growth rate in prices of sensitive commodities (food grains and sugar) in pre-future period and post future period and concluded that although inflation clearly increased post-futures in some sensitive commodities that have higher weight in consumer price indices, it is not possible to make any general claim that inflation accelerated more in commodities with futures trading. As on December 6, 2008, the inflation rate measured by the Wholesale Price Index stood at 6.84 percent, compared to 12.91 percent on August 2, 2008.

(b) Futures trading in commodities in India does not appear to lead to any flight of Indian currency abroad.

(c) to (e) As a matter of caution, the Forward Markets Commission (FMC) had suspended futures trading in tur, urad, wheat and rice in 2007. Subsequently, the FMC had suspended futures trading in chana, soy oil, potato and rubber ***w.e.f.*** 7.05.08, which was not extended beyond 30.11.08. Since the Abhijit Sen Committee could not establish any definite causal relationship between futures trading and rice in prices of commodities there is no proposal to ban futures trading in more commodities.

Committee on disinvestment of small and under-performing banks

2366. SHRI SANJAY RAUT: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that a high-level committee set up by the Planning Commission has mooted for disinvestments of small and under-performing public sector banks;

(b) if so, what is Government's response thereto; and

(c) the details of the recommendations of the said committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The High Level Committee on Financial sector Reforms set up by Planning Commission has made wide ranging recommendations on a number of issues including macro-economic framework, broadening access to finance, levelling the playing field, creating more efficient markets, a growth-friendly regulatory environment and a robust infrastructure for credit. There are a total of thirty-five proposals identified by the Committee in its executive summary one of which reads as follows:-

"Sell small underperforming public sector banks, possibily to another bank or to a strategic investor, to gain experience with the process and gauge outcome."

The various recommendations made by the Committee need to be examined, debated and discussed before any action can be taken by the Government thereon.

Training of Assessment Officers

2367. DR. K. MALAISAMY: Will the PRIME MINISTER be pleased to state:

(a) whether in the light of audit findings and observations, it requires imparting of requisite training and expertise knowledge for the Assessing Officers on the special provisions of the Income Tax Act; and

(b) if so, what are the facilities and infrastructure available for this purpose?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Income-tax Department, through its apex training institution, the National Academy of Direct Taxes, Nagpur and its subordinate institutions, the 7 Direct Taxes Regional Training Institutes (DTRTI) at Chandigarh, Kolkata, Chennai, Bangalore, Mumbai, Ahmedabad and Lucknow, are already seized of the matter of imparting requisite training and knowledge of the highest rigour and quality to all its Assessing Officers. Such training is continuously being imparted in respect of all general and special provisions of the Income-tax Act.

(b) The facilities and infrastructure available for the above purpose are the training institutes stated in clause (a) above.

(i) The NADT, headed by a Director General (an Addl. Secretary rank officer) has a campus with state-of-the art lecture and conference halls, auditorium, library, residential accommodation and sporting and recreational facilities for all officers who undergo training. Training includes both a 16 month professional course for entry-level officers and in-service Courses of various specialized subjects that are conducted according to a scientific training calender through the year. Several in-house and visiting faculty members of knowledge, skills and repute conduct the training sessions.

(ii) The DTRTIs, headed by respective Commissioners of Income-tax (Joint Secretary-rank officers) too have training facilities. While a few of these are housed in buildings and premises owned by the Department, the others currently function from rented premises.

Recovery of Loans by Nationalised Banks

2368. SHRI VIJAYKUMAR RUPANI: Will the PRIME MINISTER be pleased to state:

(a) whether Government is aware that the Nationalised Banks are facing difficulty in the recovery of loans;

(b) if so, the numbers of loan-holders granted loans during last three years; and

(c) the number of defaulters showing outstanding loans against each of them?